

TENNESSEE REGULATORY AUTHORITY

John A. Kyle, Chairman
Deborah Taylor Tate, Director
Pat Miller, Director
Ron Jones, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

April 16, 2003

Mr. Guilford Thornton
Stokes, Bartholomew, Evans and Petree
424 Church Street
Suite 2800
Nashville, TN 37219-2386

Dear Mr. Thornton:

To assist the Authority in its evaluation of Docket 03-00211, *Petition of Citizens Telecommunications Company of Tennessee, LLC for exemption under Tenn. Code Ann. §65-5-208(c)*, it is requested that you respond to the following questions.

1. Which services do you request to be exempted from the statutory price floor pursuant to Tenn. Code Ann. §65-5-208(c)?
2. For each service listed in the response to question 1, indicate whether the service is competitive. Please provide analysis to support the conclusion that a service is competitive.
3. For each service listed in the response to question 1, indicate if and how much the current tariff rate for the service can be lowered without violating the statutory price floor?
4. Provide justifications other than the presence of competition to support your *Petition*. Specifically address the issue of public interest as a justification for exemption for the statutory price floor as contemplated by Tenn. Code Ann. §65-5-208(c).
5. Would granting the *Petition* result in predatory pricing of services listed in the response to question 1? If not, provide analysis to support this conclusion. What relationship, if any, exists between the relief requested in the *Petition* and the allegations of predatory pricing pending in Docket 02-01221?
6. Discuss why Citizens has opted to request a waiver of the statutory price floor instead of continued use of promotional offerings or offering bundles of products

- and services. Please include a comparison of the costs versus benefits of each competitive response considered relative to waiving the price floor requirement.
7. If the price floor waiver is approved by the Authority, demonstrate how Citizens will recover revenues lost due to below cost pricing.

Please furnish your response to this data request by Monday, April 28, 2003. If you have any questions in reference to this request, contact Jerry Kettles at (615) 741-2791, extension 153.

Sincerely,

A handwritten signature in cursive script that reads "Aster Adams".

Aster Adams
Chief, Economic Analysis Division
Tennessee Regulatory Authority